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MINISTRY OF COMMERCE AND INDUSTRY

RESOLUTION

New Delhi, the 20th July 1956

No. SC (A)-2(133).—In their Resolution No. SC(A)-2(72)/51 dated 30th July 1951, the Government of India fixed the retention prices of foundry pig iron payable to the Indian Iron and Steel Co., Ltd., for a period of 3 years from 1-8-51. On 18th June 1954, the Company requested that, since their costs were higher than those estimated by the late Tariff Board, an increase of Rs. 25/- per ton in their retention prices might be allowed from 1-4-54. Government thereupon referred the matter to the Tariff Commission and requested the Commission to examine and recommend retention prices payable to the Company from 1-8-54 for as long a period as possible.

2. The Tariff Commission have now submitted their Report. Their main conclusions and recommendations are given below :—

- (a) The Production of Pig Iron of Indian Iron and Steel Company, may be estimated at 200,000 tons per annum.
- (b) The average future works cost of all grades of Pig Iron, is estimated at Rs. 109.23 per ton.
- (c) The future overhead charges has been estimated at Rs. 27.31 per ton of pig iron. In arriving at this figure as at the previous enquiry, Rs. 24 lakhs for depreciation (11 lakhs normal & 13 lakhs special) has been provided.
- (d) The differential in works costs and overheads due to changes in grade of metal produced is estimated at Rs. 5/- per ton.
- (e) The existing manganese differential and sulphur penalty should be allowed to continue.
- (f) The ex-works fair retention prices should be as given below to be effective from 1st August, 1954 to 31st March, 1960.

Analysis

Grade		Silicon per cent	Manga- nese per cent	Phospho- rous per cent	Sulphur per cent	Ex-works prices re- commended for the future
I		2	3	4	5	6
STANDARD GRADES						
(High Manganese)						
						(Rs. per ton.)
Standard Foundry	1	2.75- 3.25	1.00- 1.50	Under 0.40	Under 0.035	148
	2	2.25- 2.75	„	„	Under 0.050	143
	3	1.75- 2.25	„	„	„	138
	4	1.50- 1.75	„	„	„	135.5

I	2	3	4	5	6
Special . . . 4x	1'25- 1'50	1'00- 1'50	Under 0'35	"	133
Special Basic . . .	1'00- 1'25	"	"	"	130'5
Standard . . .	1'00 & Under	"	"	"	128

LOW MANGANESE GRADES

Low Manganese Foundry . . . 1	2'75- 3'25	0'50- 1'00	Under 0'40	Under 0'035	146
2	2'25- 2'75	"	"	Under 0'050	141
3	1'75- 2'25	"	"	"	136
4	1'50- 1'75	"	"	"	133'5
Special . . . 4x	1'25- 1'50	"	Under 0'35	"	131
Low Manganese basic Special,	1'00- 1'25	"	"	"	128'5
Low Manganese basic,	1'00 & Under	"	"	"	126

3. The Government of India have accepted all the recommendations of Tariff Commission and have decided to fix the ex-works retention prices as above from 1-8-1954 to 31-12-1955. As regards the prices from 1-1-56 to 31-3-1960, the Government of India notice that in arriving at the above prices, the Tariff Commission have allowed normal and special depreciation at the same level as at the 1951 enquiry but considering the fact that the Gross Value of the Kulti Block is only Rs. 219 lakhs and the depreciation allowed upto 1951 and the normal depreciation from the period 1951 to 1960 will aggregate to Rs. 189 lakhs, Government of India have decided that special depreciation need be allowed upto 1955 only, as by that time the entire value of the block would be covered by depreciation and special depreciation. From 1-1-56 therefore, the above prices of all categories of pig iron would be less by Rs. 6-8-0 per ton on the average.

4. The selling prices will continue to be on ex-port basis, until 11-6-56, i.e., when uniform sale prices were enforced and will be Rs. 15/- per ton over and above the ex-works retention prices. The element of Rs. 15/- granted towards freight disadvantage will be subject to adjustment with the Equalisation Fund.

N. SUBRAHMANYAM, Jt. Secy.